

**Public Gas Company  
220 Lexington Green, Bldg 2, Suite 130  
P.O. Box 24032  
Lexington, KY 40524-4032  
Tcle (859) 245-8193**

September 28, 2005

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602



RE: Public Gas Company  
Case No.  
GCR Filing Proposed to Become  
Effective Noveinber 1, 2005

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective Noveinber 1, 2005. Also included are an original and five copies of 34th revised sheet No. 1 of Public's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$13.7056 per MCF of sales.

Sincerely,

Bert R. Layne

**Public Gas Company**

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: September 28, 2005

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Date Rates to be Effective: November 1, 2005

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Reporting Period is Calendar Quarter Ended: January 31, 2006

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	13.8553
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.1497)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>13.7056</u>

GCR to be effective for service rendered from November 1, 2005 to January 31, 2006

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	
÷	Sales for the 12 months ended _____	Mcf	
=	Expected Gas Cost (EGC)	\$/Mcf	

B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch.III)		
+	Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=	Refund Adjustment (RA)	\$/Mcf	

C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0469)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0949)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0567
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
			<u>(.0646)</u>
=	Actual Adjustment (AA)	\$/Mcf	<u>(.1497)</u>

D.	<u>BALANCE ADJUSTMENT CALCULATION</u>		<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
=	Balance Adjustment (BA)		

SCHEDULE II  
EXPECTED GAS COST

Actual \* MCF Purchases for 12 months ended April 30, 2005

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
GAS PURCH			MCF	SALES MCF	
May-04			3,762	13.8553	3,705
June-04			2,199	13.8553	2,151
July-04			3,278	13.8553	3,202
August-04			2,429	13.8553	2,371
September-04			2,517	13.8553	2,480
October-04			4,608	13.8553	4,494
November-04			10,151	13.8553	9,893
December-04			22,205	13.8553	21,704
January-05			20,182	13.8553	19,763
February-05			20,377	13.8553	19,751
March-05			21,172	13.8553	20,576
April-05			6,713	13.8553	6,611
Totals			119,593		116,701

Line loss for 12 months ended April 2005 is 2.42 % based on purchases of  
119,593 Mcf and sales of 116,701 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	
= Total Expected Gas Cost (to Schedule IA)	\$	

\*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

\*\*Supplier's tariff sheets or notices are attached.

\$13.8553 Per Attached Schedule

Jefferson Gas, LLC

09/27/05

Expected gas price, November 2005, December 2005, and January 2006

Public Gas has asked for an estimate of their gas price for the months of November, December 2005, and January 2006.

	Gas price* to Public Gas
August	13.21
September	13.56
October	13.79

\*Jefferson Gas purchases gas from various producers based on the NYMEX futures price. This index changes daily, and has been somewhat volatile in the past. Therefore, gas may be more or less than indicated above, depending on the actual NYMEX price for the periods indicated above. The above estimated gas prices were derived from the NYMEX futures prices issued by the NYMEX web site on September 27, 2005.

13.2100 +  
13.5600 +  
13.7900 +  
40.5600 \*  
  
40.5600 ÷  
3.0000 =  
13.5200 +  
  
13.5200 \*  
  
13.5200 ÷  
0.9758 =  
13.8553 +  
  
13.8553 \*

SCHEDULE III  
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
<hr/>		<hr/>
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended	Mcf	
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended July 31, 2005

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>( May 05)</u>	<u>Month 2</u> <u>(Jun 05)</u>	<u>Month 3</u> <u>(Jul. 05)</u>
Total Supply Volumes Purchased	Mcf	5,475	2,524	1,783
Total Cost of Volumes Purchased	\$	44,949.75	19,838.64	14,798.90
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	5,295	2,453	1,761
= Unit Cost of Gas	\$/Mcf	8.4891	8.0875	8.4037
- EGC in effect for month	\$/Mcf	8.9452	8.9452	8.9452
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.4561)	(.8577)	(.5415)
x Actual sales during month	Mcf	5,295	2,453	1,761
= Monthly cost difference	\$	(2,415.05)	(2,103.94)	(953.58)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(5,472.57)
÷ Sales for 12 months ended <u>April 33,2005</u>			Mcf	116,701
<u>Actual Adjustment for the Reporting Period (to Schedule IC.)</u>			\$/Mcf	<u>(.0469)</u>

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended \_\_\_\_\_ (reporting period) \_\_\_\_\_

	<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1)	Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
	<b>Less:</b> Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect.	\$	
	<b>Equals:</b> Balance Adjustment for the AA.	\$	_____
(2)	Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
	<b>Less:</b> Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
	<b>Equals:</b> Balance Adjustment for the RA	\$	_____
(3)	Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
	<b>Less:</b> Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
	<b>Equals:</b> Balance Adjustment for the BA.	\$	_____
	Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷	Sales for 12 months ended _____	Mcf	_____
=	Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

FOR Entire Service Area  
Community, Town or City

P.S.C. KY. NO. 1

34th Revised SHEETNO. 1

Public Gas Company  
(Name of Utility)

CANCELLING P.S.C. KY NO. 1

33rd Revised SHEETNO. 1

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RATES AND CHARGES

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Applies to: All Customers

Rates, Monthly:

			Base Rate	Gas cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	13.7056	16.9761
All Over	1 Mcf		2.1505	13.7056	15.8561

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DATE OF ISSUE her 28, 2005  
Month / Date / Year

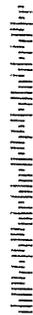
DATE EFFECTIVE November 1, 2005  
Month / Date / Year

ISSUED BY Bert R. Layne  
(Signature of Officer)

TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO \_\_\_\_\_ DATED \_\_\_\_\_

Jefferson Gas, LLC  
P. O. Box 24032  
Lexington, KY 40524-4032



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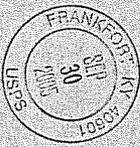
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PUBLIC SERVICE  
COMMISSION



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